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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Initial application of: Ojha et al.

Attorney Docket No.: NXTGP001X2

Application No.: 09/493,750

Examiner: Nguyen, Cuong H.

Filed: January 28, 2000

Group: 3625

Title: METHODS AND APPARATUS FOR
FACILITATING TRANSACTIONS

CERTIFICATE OF EXPRESS MAILING

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**APPEAL BRIEF TRANSMITTAL
(37 CFR 192)**

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Sir:

This brief is in furtherance of the Notice of Appeal filed in this case on August 24, 2004. This brief is transmitted in triplicate.

This application is on behalf of

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Pursuant to 37 CFR 1.17(f), the fee for filing the Appeal Brief is:

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An extension for _____ months has already been secured and the fee paid therefor of \$ _____ is deducted from the total fee due for the total months of extension now requested.

Applicant(s) believe that no (additional) Extension of Time is required; however, if it is determined that such an extension is required, Applicant(s) hereby petition that such an extension be granted and authorize the Commissioner to charge the required fees for an Extension of Time under 37 CFR 1.136 to Deposit Account No. 500388.

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Charge any additional fees or credit any overpayment to Deposit Account No. 500388, (Order No. NXTGP001X2). Two copies of this transmittal are enclosed.

Respectfully submitted,
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PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF APPEALS

EX PARTE OJHA et al.

Application for Patent

Filed January 28, 2000

Serial No. 09/493,750

FOR:

Methods and Apparatus for Facilitating Transactions

APPEAL BRIEF

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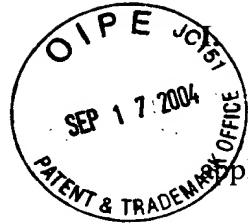
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REAL PARTY IN INTEREST

The real party in interest is NexTag, Inc., the assignee of the present application.

II. RELATED APPEALS AND INTERFERENCES

The undersigned is not aware of any related appeals and/or interferences.

III. STATUS OF THE CLAIMS

A total of 26 claims has been presented throughout the prosecution of this application. Claims 1, 4 and 6-26 are pending in this application. Dependent claims 2, 3 and 5 were previously canceled, without prejudice. The currently pending claims are presented in the attached Appendix.

Claims 1, 6 and 21-26 stand rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,946,667 (Tull) in view of Dialog file 148 – acc. No. 10173675 (Kovski). Claims 13-15 and 18-20 stand rejected under 35 U.S.C. 103(a) over Tull in view Kovski and further in view of Official Notice taken by the Examiner. Claims 7-10 stand rejected under 35 U.S.C. 103(a) over Tull in view Kovski and further in view of U.S. Patent No. 5,797,127 (Walker). Claims 16 and 17 stand rejected under 35 U.S.C. 103(a) over the combination of Tull and Walker in view of further Official Notice. Claim 4 stands rejected under 35 U.S.C. 103(a) over Tull in view of Kovski and further in view of U.S. Patent No. 6,338,050 (Conklin). Claims 11 and 12 stand rejected under 35 U.S.C. 103(a) over Tull in view of Kovski and further in view of U.S. Patent No. 6,519,574 (Wilton).

Claim 19 stands rejected under 35 U.S.C. 112, second paragraph, for failing to particularly point out and distinctly claim the subject matter which the Applicant regards as the invention. Specifically, the Examiner stated that the claim was indefinite because it “broadly and generally claims ‘a business rule’, comprising no distinguished definition about said ‘business rule’.”

IV. STATUS OF AMENDMENTS

On October 9, 2003, the Examiner mailed a second non-final office action (Paper No. 5). On November 4, 2003, Applicant filed an amendment. The amendment was entered as indicated in the final office action mailed by the Examiner on March 3, 2004. No further amendments to the claims have been proposed or entered. An Advisory Action reiterating the Examiner's position was mailed on August 27, 2004.

V. SUMMARY OF INVENTIONS

The "present invention relates to electronic commerce via the Internet. More specifically, the present invention relates to the facilitation of transactions between buyers and sellers on the World Wide Web." See page 1, lines 17-19. Beginning on page 5 of the present application, the Summary of the Invention describes an "electronic commerce solution...for facilitating online transactions which allows traditional negotiation between a buyer and a seller to occur." Page 5, lines 1-3. "According to specific embodiments, methods and apparatus are provided which enable one or more interested third parties that want a particular deal to happen to make it happen. Each such third party logs into a private third party interface on the web site of the present invention with which he views all or some subset of the currently open bids in the system. The third party may then select specific bids for which he would like to enable acceptance. According to a specific embodiment, the third party can look at the spread or other attributes of the potential deal (e.g., buyer information, seller information, and product information for the product under consideration or related products) to help him in making his decisions. A third party may enable acceptance of a particular bid by, for example, making up all or some of the difference between the buyer's bid and the seller's asking price. Where the third party makes up only some of the difference, the seller may accept or counter the augmented bid. Alternatively, another third party can make up all or some of the remaining difference." Page 5, line 17 to page 6, line 4. More specific embodiments are described beginning at page 41 with reference to Figs. 26-34.

VI. ISSUES

The issues that Applicant believes most pertinent to the present appeal are as follows:

Whether there is motivation to combine the Tull and Kovski references in the manner suggested by the Examiner.

Whether claims 1, 4 and 6-26 are unpatentable under 35 U.S.C. 103(a) over the combination of the Tull and Kovski references.

Whether claim 19 is unpatentable under 35 U.S.C. 112, second paragraph, as being indefinite.

VII. GROUPING OF CLAIMS

Independent claims 1, 25 and 26 are believed patentable over the art of record. Dependent claims 4 and 6-24 are believed patentable for at least the same reasons. In addition, each of claims 18-22 are believed patentable for additional reasons, and therefore do not stand or fall with the remaining claims.

VIII. ARGUMENT

(a) The Tull and Kovski references

Tull describes a financial data processing system by which a new type of financial debt instrument is created and controlled, and by which the debt instrument is made accessible to individual investors. The debt instrument (referred to as an OPALS) represents a carefully selected group or “basket” of shares from a particular capital market, and is designed to track the overall performance of the capital market which it represents. The OPALS debt instrument may be traded on the open market as a single security for a limited period of time. See the Abstract and column 5, line 51 to column 6, line 23.

Referring to Fig. 1, financial management structure 8 receives data relating to each of the stocks in each of various capital markets 1. Modeling system 3 uses these data to select an optimized basket of shares which are intended to track a particular

market's index closely. These shares are aggregated as an OPALS 10 for that market. See column 6, lines 4-23. Details of the algorithm by which the basket of shares is created are provided in columns 7 and 8. OPALS 10 may then be purchased and traded by investors (as conventionally facilitated by brokers) in a manner similar to open market funds (column 6, lines 32-46).

Fig. 2 of Tull adds very little to the foregoing discussion except to identify the nature of the connections between data processing system 20 of Fig. 1, the other parts of financial management structure 8, and capital markets 1. That is, Fig. 2 and the corresponding description beginning at column 8, line 28, show a communications network 9 by which system 20 receives data from markets 1. Also shown are two-way connections with brokers 13 by which the brokers may facilitate the trade of OPALS 10. Investors 5 are connected to the system over a communications network 15 which may be an international news reports service such as Reuters. Information about the operation of financial management structure 8 may also be viewed by operators at terminals 17.

Kovski is an article which discusses the costs suffered by government agencies because they are reluctant to hedge when negotiating contracts for commodities such as crude oil. The article cites the example of the Metropolitan Atlanta Rapid Transit Authority (Marta) as being the exception to this general rule estimating that hedging has saved the city of Atlanta \$2.2 million over a 10-year period. In referring to the deal negotiated by Marta, the article indicates that "Marta pays the difference if the market price is lower; the counterparty broker covers the difference if the market price is higher." This is the common, well known result of such a hedging deal.

(b) There is no motivation to combine the Tull and Kovski references.

As described above, the Tull reference describes a financial data processing system which operates in the context of a communications network. The Examiner stated that Tull does "not disclose about enabling the 3rd party...to facilitate consummation of the transaction between the 1st party...and 2nd party." On the other hand, Kovski describes the general notion of hedging, but makes no mention of any techniques for facilitating hedging. In particular, there is no mention in Kovski which suggests enabling hedging in any computer or network context, let alone a

communications network such as that described in Tull.

As stated in the MPEP (section 2141 et seq.) and in the relevant Federal Circuit case law, in order to establish a *prima facie* case of obviousness under 35 U.S.C. 103(a), there must be some motivation or suggestion to combine or modify references either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. *In re Vaeck*, 20 USPQ2d 1438 (Fed. Cir. 1991). The mere fact that references can be combined does not render the combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 16 USPQ2d 1430 (Fed. Cir. 1990). The Examiner is duty bound to avoid impermissible hindsight by determining the content of the prior art at “the time the invention was made.” *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 220 USPQ2d 303 (Fed. Cir. 1983).

The Examiner’s combination of the Tull and Kovski references does not meet the relevant requirements as set forth by the Federal Circuit. As stated by the Examiner on page 3 of the Office Action dated March 3, 2004, Tull “provides a full range of financial services,” but fails to disclose “enabling the 3rd party (said broker) to facilitate consummation of the transaction between the 1st party (said buyer), and 2nd party.” If Tull describes providing a “full range of financial services” as suggested by the Examiner, it is significant that it fails to identify or even allude to hedging or any similar financial technique as being a functionality which is or could be enabled by its system. It is far more likely that this omission relates to the fact that the explicit purpose of the Tull system is to create and trade a specific type of financial debt instrument, i.e., the OPALS. This being the focus of the system, there is no reason to discuss other financial strategies such as hedging.

Kovski, on the other hand, makes no mention of the manner by which the hedging deal described is enabled. There is certainly no suggestion in the reference that a financial data processing system such as that described in Tull would be appropriate for facilitating such a deal, or that hedging may be employed in the trading of the OPALS debt instrument. Indeed, the governmental, bureaucratic and regulatory requirements associated with such the described hedging deal makes it highly unlikely that the deal was or could reasonably be facilitated as suggested by the Examiner.

In view of the foregoing, the Applicant contends that the Examiner has failed to point to the references or the prior art to provide a satisfactory motivation to combine the teachings of the Tull and Kovski references. Without a supportable motivation, the Examiner's rejection constitutes an impermissible application of hindsight. The rejection of any of the pending claims over this combination of references should therefore be withdrawn.

(c) The combination of Tull and Kovski does not anticipate or obviate the present invention as claimed.

The Examiner stated that Tull does "not disclose about enabling the 3rd party...to facilitate consummation of the transaction between the 1st party...and 2nd party." However, the Examiner went on to say that Kovski teaches this limitation. The Applicants respectfully disagree.

Kovski merely introduces the general notion of hedging into the prior art provided by the Examiner. What it does not teach is the ability of a third party "to facilitate consummation of the transaction between the first and second parties by transmitting a counteroffer or an acceptance from the third party to the first party via the wide area network, *and* enabling the third party to cover at least part of a first difference between the first bid price and the first ask price." The transaction to which the Kovski refers has already been consummated, i.e., Marta has a "locked-in diesel price" of 48.74 cents/gallon. That is, the transaction is not consummated by "enabling the third party to cover at least part of the difference." Rather, the broker covering the difference in Kovski may be a *result* of the consummation of the transaction, not the other way around.

Moreover, neither Tull nor Kovski teach that consummation of the transaction is facilitated by "transmitting a counteroffer or an acceptance from the third party to the first party via the wide area network." That is, there is no capability or mechanism described in Tull, Kovski, or any of the other references whereby a third party can accept the first party's bid or make a counteroffer on behalf of the second party.

The fact that neither Tull nor Kovski describes or suggests any of these important limitations means that the rejection of claim 1 as being obvious over these references cannot stand. Claims 4 and 6-26, which are either directly or indirectly

dependent on claim 1, or contain similar limitations are believed allowable for at least the reasons discussed.

(d) Claims 18-20

In addition to the foregoing, claim 18 of the present application recites “controlling implementation of the at least one business rule with reference to at least one other business rule associated with the second party.” That is, claim 18 provides for interaction between business rules specified by different parties involved in the transaction. As discussed above, none of the references cited by the Examiner contemplates a computer-implemented technique which enables the interaction among three parties as recited. It follows, then, that none of the cited references contemplates the interaction among business rules associated with different parties in the manner recited in claim 18 (and dependent claims 19 and 20). For this reason, the rejection of these claims 21 should be withdrawn.

(e) Claims 21 and 22

In addition to the foregoing, claim 21 of the present application introduces further limitations enabling “a fourth party to facilitate consummation of the transaction between the first and second parties in conjunction with the third party via the wide area network.” The Examiner stated that this limitation is merely a “repetition of claim 1” and analogized the recited limitation to two hypothetical examiners A and B “helping each other for patent prosecutions using US Patent Laws.” See page 6 of the Office Action of March 3, 2003. The Applicant respectfully disagrees.

The limitations introduced by claim 21 are not merely duplicative of those in claim 1. Introduction of the additional party complicates the relationships among the parties sufficiently that enabling the additional party to facilitate the transaction “in conjunction with the third party” necessitates a modified approach as between the third and fourth parties. For example, to enable such a functionality, there must be some information provided to the fourth party relating to “the transaction between the first and second parties” *and* “a counteroffer or an acceptance from the third party.” Introduction of the fourth party is therefore immediately distinguishable from the introduction of the third party which, by definition, does not require any information

relating to such a counteroffer or acceptance (because neither has yet happened).

As discussed above, none of the cited references teaches or suggests enabling the third party to facilitate a transaction in the manner recited in claim 1. Neither do any of the references teach the additional limitations relating to the introduction of a fourth party as recited in claim 21. For this reason, the rejection of claim 21 (and claim 22 which includes all of the limitations of claim 21) over the cited references cannot stand.

(f) Claim 19 is not indefinite.

The Examiner stated that claim 19 is indefinite because it “broadly and generally claims ‘a business rule’, comprising no distinguished definition about said ‘business rule’.” The Applicant respectfully disagrees.

Claim 18 depends on claim 13 and recites “controlling implementation of the at least one business rule with reference to at least one *other* business rule associated with the second party.” Claim 19 merely further defines how “implementation of the at least one business rule” recited in claim 18 is accomplished. That is, claim 19 states that the “at least one *other* business rule” introduced in claim 18 must be implemented before the “at least one business rule” originally introduced in claim 13. Claim 19 does not therefore generally claim “a business rule.” Rather, it recites how business rules are implemented in the context of the method recited in claim 18.

The concept of a “business rule” is described in the present application beginning at page 26, line 22, with reference to Figs. 13a-13k. Specifically, a business rule is referred to as “a set of criteria and a set of actions to be taken when the set of criteria is satisfied.” Page 27, lines 1-2. Beginning at page 43, line 8, business rules interfaces for the third party user are described. At page 45, lines 14-23, the interaction between the third party’s business rules and the business rules of the seller (i.e., the second party) are described.

Thus, not only is the Examiner’s characterization of claim 19 inaccurate and the recited limitations clear on their face, the specification provides ample support and description for eliminating any misunderstanding. The rejection of claim 19 as being indefinite should therefore be withdrawn.

Conclusion

In view of the forgoing, it is respectfully submitted that none of the pending claims are indefinite or rendered obvious by any reasonable combination of the art of record. Accordingly, the pending objections and rejections under 35 USC 112 and 103 should be reversed.

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IX. APPENDIX

CLAIMS ON APPEAL

All of the currently pending claims are listed below:

1. (Previously amended) A computer-implemented method for facilitating transactions in a wide area network, comprising:

providing information relating to a transaction between a first party and a second party to a third party via the wide area network, the information including a first bid price associated with the first party and a first ask price associated with the second party; and

enabling the third party to facilitate consummation of the transaction between the first and second parties by transmitting a counteroffer or an acceptance from the third party to the first party via the wide area network, and enabling the third party to cover at least part of a first difference between the first bid price and the first ask price.

2. (Previously canceled)

3. (Previously canceled)

4. (Previously amended) The method of claim 1 further comprising notifying the second party of the counteroffer via the wide area network.

5. (Previously canceled)

6. (Previously amended) The method of claim 1 further comprising notifying the second party of the acceptance via the wide area network.

7. (Original) The method of claim 1 wherein providing the information comprises transmitting a web page to the third party via the wide area network, an entry in the web page corresponding to the transaction between the first and second parties.

8. (Original) The method of claim 7 wherein enabling the third party to facilitate consummation of the transaction comprises providing at least one active object in the web page associated with the entry.

9. (Previously amended) The method of claim 8 wherein the at least one active object comprises an acceptance button, activation of the acceptance button resulting in transmission of the acceptance to the first party via the wide area network.

10. (Previously amended) The method of claim 8 wherein the at least one active object comprises a counteroffer button, activation of the counteroffer button resulting in transmission of the counteroffer to the first party via the wide area network.

11. (Original) The method of claim 1 wherein providing the information comprises filtering current system bids according to at least one criterion specified by the third party.

12. (Previously amended) The method of claim 11 wherein the current system bids each have a second bid price and a second ask price associated therewith, the at least one criterion including at least one of a product category, a product seller, and a spread which is compared with a second difference between the second bid price and the second ask price for each current system bid.

13. (Original) The method of claim 1 wherein enabling the third party to facilitate consummation of the transaction comprises enabling the third party to specify at least one business rule for automatically responding to system bids via the wide area network.

14. (Original) The method of claim 13 wherein enabling the third party to specify the at least one business rule comprises providing a plurality of criteria to the third party via the wide area network, the at least one business rule corresponding to a subset of the criteria specified by the third party.

15. (Original) The method of claim 14 wherein the plurality of criteria includes at least one of a product identifier, a merchant identifier, a number of units being bid, a buyer reputation indicator, and whether an identified merchant has an identified product in stock.

16. (Original) The method of claim 13 wherein enabling the third party to specify the at least one business rule comprises providing a plurality of response options to the third party via the wide area network, the at least one business rule corresponding to a subset of the response options specified by the third party.

17. (Previously amended) The method of claim 16 wherein the plurality of response options includes at least one of communicate the acceptance and communicate a the counteroffer.

18. (Original) The method of claim 13 further comprising controlling implementation of the at least one business rule with reference to at least one other business rule associated with the second party.

19. (Original) The method of claim 18 wherein controlling implementation of the at least one business rule comprises implementing the at least one other business rule before implementing the at least one business rule.

20. (Original) The method of claim 18 wherein controlling implementation of the at least one business rule comprises waiting a predetermined time period before implementing the at least one business rule.

21. (Original) The method of claim 1 further comprising enabling a fourth party to facilitate consummation of the transaction between the first and second parties in conjunction with the third party via the wide area network.

22. (Previously amended) The method of claim 21 wherein enabling the fourth party to facilitate consummation of the transaction comprises enabling the fourth party to cover a remainder portion of the first difference.

23. (Original) The method of claim 1 wherein the information includes an identifier identifying the transaction as relating to a product which is part of a mutually exclusive bid group defined by one of the first and second parties.

24. (Original) The method of claim 23 wherein enabling the third party to facilitate consummation of the transaction comprises enabling the third party to specify at least one business rule for automatically responding to system bids via the wide area network, the at least one business rule relating to the identifier.

25. (Previously amended) A computer program product for facilitating transactions in a wide area network, comprising:

at least one computer readable medium; and

computer program instructions stored in the at least one computer readable medium for causing at least one computer to:

provide information relating to a transaction between a first party and a second party to a third party via the wide area network, the information including a bid price associated with the first party and an ask price associated with the second party; and

enable the third party to facilitate consummation of the transaction between the first and second parties by transmitting a counteroffer or an acceptance from the third party to the first party via the wide area network, and enabling the third party to cover at least part of a difference between the bid and ask prices.

26. (Previously amended) A method for facilitating transactions in a wide area network, comprising:

selectively providing information relating to a plurality of bids on a transaction site to a third party via the wide area network, a first one of the bids involving a first party and a second party, the first bid including a bid price associated with the first party and an ask price associated with the second party;

transmitting a response from the third party to the first party via the wide area network, the response comprising a counteroffer or an acceptance covering at least part of a difference between the bid and ask prices;

notifying the second party of the response via the wide area network.